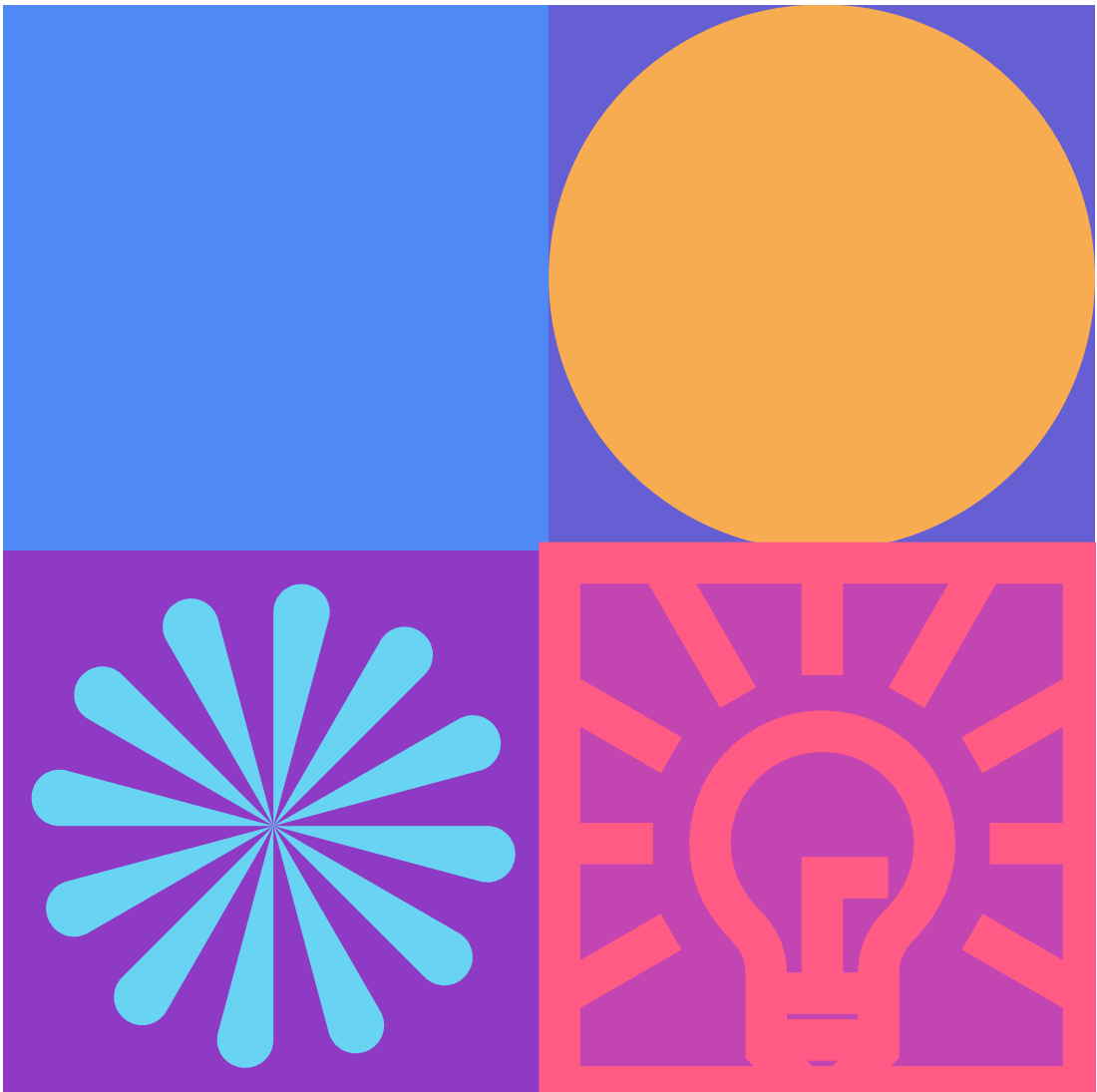


WHITE PAPER



rosslyn

This is why Procurement Analytics is vital within a modern procurement technology stack





Here are four reasons why an ERP consolidation project won't solve your Procurement Intelligence problems:

1. Consolidated ERPs won't provide you with a single source of classified data
2. The data quality problems you have in your current ERP's will still exist in the new world
3. ERPs are not receptive to 3rd party enrichment data
4. Waiting for consolidation = missing out on millions in savings

Single source of truth vs. single source of data

Consolidating your ERP's will provide you with a single source of data, however this is NOT a single source of truth.

The single source of truth for procurement should be:

- Spend that has been classified to a procurement taxonomy (maybe even multiple!)
- Suppliers that have been normalized and parent/child mapping has been completed
- Master data such as GL Codes, Material Groups have been normalized

Consolidating ERP's will bring all your transactions together, however without the classification and normalization processes identified above, you will be left with significant amounts of unmanaged spend and will only have a finance lens on the data.

Across our client base we typically see:

- Up to 15% savings identified annually within indirect spend
- Up to 7% annual reduction in tail spend



82%

of procurement leaders acknowledge their companies are not managing their indirect spend well.

Source: Globality

Data quality issues will continue to persist

ERPs are notorious for data quality issues. [Gartner](#) estimates poor data costs organisations on average \$12.9M and [Harvard Business Review](#) research finds that only 3% of companies meet basic data quality standards.

Having a Procurement Intelligence system that allows for reclassification when your taxonomy changes or allows for spend to be tagged against projects, business units or ever-changing preferred supplier lists enables your procurement team to be agile.

Trust in your data is critical. For procurement to play a strategic role within the organisation you need to be confident the data you're making decisions with is correct. Simply consolidating ERPs will not provide you with this confidence. If the data was garbage before, it will continue to be an even bigger pile once the consolidation has happened.

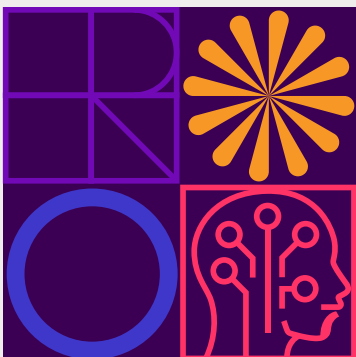
Spend is just the start

ERPs do not work well with data that originates outside of the ERP. Procurement departments today require spend to be blended with the following 3rd party data:

- Sustainability
- Cyber Risk
- Financial Risk
- Market intelligence
- Commodity prices
- Geopolitical Risk

When looking at the macro-economic challenges of the past few years including covid, wars, natural disasters, geo-political instability – there has been a major impact on supply chain disruption. [Deloitte's 2023 CPO report](#) highlights that 43% of CPO's cited overall procurement risk had increased significantly.

Blending the data you need to mitigate these risks does not happen within the ERP and procurement deserve better than excel spreadsheets. To be a truly agile procurement department you need procurement intelligence to sit on top of both your spend and your 3rd party data feeds.



\$12.9M

is how much organizations pay on average for poor data.

Source: Gartner

Waiting for consolidation = millions in missed savings

Three quarters of ERP transformation projects do not stay on schedule, time or budget according to [McKinsey](#).

A Procurement Intelligence solution can have you up and running in weeks, helping you find opportunities in:

- Maverick spend reduction
- Tail spend reduction
- Invoice consolidation
- Payment term consolidation
- On time payments
- Supplier rationalisation

Across our client base, we see an initial 20% of savings identified within the first 6 months of go live, with circa 5-10% savings annually thereafter.

For a fraction of the cost, time, effort and resources compared to an ERP consolidation project, you can easily achieve a 10x ROI alongside your ERP consolidation program.

Why wait? Especially when the answers to the above will not be available simply by consolidating ERPs.

We have a range of clients that have completed ERP consolidation projects, and still see the value of a Procurement Intelligence solution:

- Continuous savings of 5-10%
- Data classified against your own taxonomy
- 10x ROI
- Achieve a true single source of truth

“Data quality remains the top barrier for digitalization within Procurement. The need for quality data is imperative, but must be addressed by prioritizing analytics to aide decision-making”

- Jason Busch
CEO, Spend Matters



About Rosslyn

Since 2005, Rosslyn has been at the forefront of helping organizations deliver accelerated business value through data insight. With thousands of users in over fifty countries, we empower organizations to automate critical business processes and analytics through simple, self-service tools.

Our portfolio of services ranges from AI-driven Procurement analytics to Data Management.

Let us reveal the story within your data. Speak to a member of the Rosslyn team to find out how on +44 020 3285 8008 or email us at info@rosslyn.ai.



rosslyn

www.rosslyn.ai